A STUDY ON THE INFLUENCE OF HUMAN RESOURCES
PRACTICES ON TURNOVER INTENTION AMONG A
TELECOMMUNICATION COMPANY EMPLOYEES.

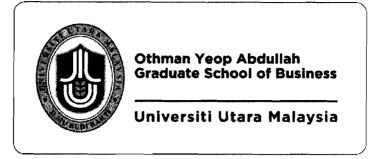
A STUDY ON THE INFLUENCE OF HUMAN RESOURCES PRACTICES ON TURNOVER INTENTION AMONG A TELECOMMUNICATION COMPANY EMPLOYEES.

Ву

SUGUNA SINNIAH

A thesis submitted to College of Business in partial fulfilment of the requirements for the degree Master of Human Resource Management,

Universiti Utara Malaysia



PERAKUAN KERJA KERTAS PROJEK

(Certification of Project Paper)

Saya, mengaku bertandatangan, memperakukan bahawa (I, the undersigned, certified that)
SUGUNA SINNIAH (805520)

Calon untuk ljazah Sarjana (Candidate for the degree of) MASTER OF HUMAN RESOURCE MANAGEMENT

telah mengemukakan kertas projek yang bertajuk (has presented his/her project paper of the following title)

A STUDY ON THE INFLUENCE OF HUMAN RESOURCE PRACTICES ON TURNOVER INTENTION AMONG A TELECOMMUNICATION COMPANY EMPLOYEES

Seperti yang tercatat di muka surat tajuk dan kulit kertas project (as it appears on the title page and front cover of the project paper)

Bahawa kertas projek tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan.

(that the project paper acceptable in the form and content and that a satisfactory knowledge of the field is covered by the project paper).

Nama Penyelia (Name of Supervisor)

DR. CHANDRAKANTAN S/O SUBRAMANIAM

Tandatangan (Signature)

Tarikh

07 AUGUST 2012

(Date)

Permission to Use

In presenting this project paper in partial fulfilment of the requirements for a postgraduate degree from Universities Utara Malaysia, I agree that the University Library make it freely available for inspection. I further agree that permission for copying of this project paper in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor(s) or, in their absence by the Dean of College of Business. It is understood that any copying or publication or use of this project paper or parts thereof for financial gain shall not be given to me and to University Utara Malaysia for any scholarly use which may be made of any material from my project paper. Request for permission to copy or make other use of materials in this project paper, in whole or in part should be addressed to:

Dean of College of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman

Disclaimer

The author is responsible for the accuracy of all opinion, technical comment, factual report, data figures, illustrations and photographs in this dissertation. The author bears full responsibility for the checking whether material submitted is subject to copyright or ownership right. Universiti Utara Malaysia (UUM) does not accept any liability for the accuracy of such comment, report and other technical and factual information and the copyright or ownership rights claims. The author declares that this dissertation is original and his own except those literatures, quotations, explanations and summarization which are duly identified and recognized. The author hereby granted the copyright of this dissertation to College of Business, Universiti Utara Malaysia (UUM) for publishing if necessary.

Abstract

While performing their duties in an organization, an employee tied up to a human resource practices which consists of internal career opportunity, training, result oriented appraisals, Employment security, participation and job description to retain in an organization. This research title is aimed to determine the influences of internal career opportunity, training, result oriented appraisals, employment security, participation and job description on turnover intention. The objective of this study is; to understand the influence of the selected human resource practices on turnover intention. A total of 169 questionnaires were distributed to one of the selected Telecommunication company. Data were analyzed using both descriptive and inferential statistical analysis to interpret data. Research findings revealed there was turnover intentions exist among the respondents. Significant values for each element in independent variable which the item of reward such as result oriented appraisal, training, and participation. The higher significant value of independent variables are result oriented appraisal and item benefits, 0.538 > 0.05.

Acknowledgement

My deepest gratitude and sincere thanks to Dr. Chandrakantan a/l Subramaniam, who had agreed to be my supervisor and adviser. His knowledge and guidance have greatly helped me at all steps in the process of preparing and submitting this research paper. I'm obliged to record my sincere appreciation and thankfulness to my parents Mr. Sinniah Ramasamy and Mrs. Letchumy Suprayan and family whom had granted me with support and encouragement throughout the process of completing this research paper. Last but not least, my sincere thank to the many friends who provide support and advice me, and who are participating in the process of preparing this paper and give me a support from start until finish. Finally, I'm grateful to all who had either directly or indirectly been very supportive and helpful in making this research a success.

Table of Contents	Pages
Permission to Use	i
Disclaimer	ii
Abstract	iii
Table of Contents	iv
List of Tables	v - viii
List of Figures	ix
CHAPTER 1 INTRODUCTION	
1.1 Introduction	1 - 4
1.2 Background of the Study	4 - 5
1.3 Problem Statement	5
1.4 Research Objectives	6
1.5 Research Questions	7
CHAPTER 2 LITERATURE REVIEW	
2.1 Introduction	8
2.2 Empirical studies on intention to leave	8 - 9
2.3 Training and intention to leave	10 - 13
2.4 Participation and intention to leave	13
2.5 Result oriented appraisal and intention to leave	13 - 14
2.6 Job security and intention to leave	15 - 16
2.7 Job description and intention to leave	16
2.8 Conclusion	16 - 17

CHAP	TER 3 RESEARCH METHODS		
3.1	Introduction	18	
3.2	Research Approach	18	
3.3	Conceptual definition	20	
3.4	Operational definition		
3.5	Instrument scales	22	
3.6	Population	22	
3.7	Sample	22	
	3.7.1 Sampling procedures	23	
3.8	Pilot test	24	
3.9	Data analysis	26	
3.10	Summary		
CHAI	PTER 4 RESEARCH FINDINGS		
4.1	Introduction	27	
4.2	Rate of response	27	
4.3	Profile of the respondent	28	
4.4	Reliability Analysis	31	
4.5.	Descriptive statistics of variables	32	
4.6	Correlation analysis		
4.7	Regression analysis		
4.8	Summary	35	

CHAP	TER 5	DISCUSSION, RECOMMENDATION AND CONCLUSION	
5.1	Introd	uction	37
5.2	Summ	ary of major findings	37
5.3	Discus	esion	38
	5.3.1	Result oriented appraisals	38
	5.3.2	Training	39
	5.3.3	Participation	40
	5.3.4	Job description	41
	5.3.5	Job security	42
	5.3.6	Internal career opportunity	42
5.4	Implic	eations	43
	5.4.1	Theoretical implication	44
	5.4.2	Practical implication	45
5.5	Limita	ation	48
	5.5.1	Future studies	48
5.6	Concl	usion	49 - 50
Refere	ences		51 - 52
APPE	ENDIX	1 SURVEY INSTRUMENT	53 - 58
ADDENDIY 2 SPSS RESULTS		2 SPSS RESULTS	59 - 78

List of Tables

Table 2-1:	Summary of the relationship between training and job turnover	18
Table 3-1:	Internal consistencies of previous study by Delery and Doly	21
Table 3-2:	Pilot study of reliability test	24
Table 4-1:	Demographic Descriptive statistic variables	28
Table 4-2:	Frequencies of demographic variables	29 - 30
Table 4-3:	Reliability test for independent variable	31
Table 4-4:	Descriptive analysis results	32
Table 4-5:	Correlation coefficient among variables	32
Table 4-6:	Estimates of coefficient for the model	33

List of Figures

Figure 3-1: Research Framework

19

CHAPTER 1

INTRODUCTION

1.1 Background of the study

An organization's performance and productivity could not be realized without employees support and contribution. Employees are partly responsible for the achievement of organization's goal and strategy. Therefore, the managers should concern on the issue or problems encountered by the employees in the organization. The major problem or issue facing by most of the companies in developed countries is high turnover. Voluntary turnover is a major problem for companies in many Asian countries such as South Korea, Malaysia, Singapore and Taiwan. In a recent forum of Human Resources professionals bodies of Hong Kong, Malaysia and Singapore participants were unanimous in their view that job hopping had become a culture (Naresh; Fern, Tze F. and Budhwar, Pawan S. 2010). "What determine employee turnover?" The answer to this question has great relevance to the individual who may be thinking about quitting a job, and for the manager who is facing lack of employees to lack continuity, the high cost involved in the induction and training of new, and declining organizational productivity (Hemdi & Nasirudin 2006). Turnover intention is defined as an employee's decision to leave an organization voluntarily. When turnover rate increase in an

The contents of the thesis is for internal user only

References

- Amstrong, M. et al. (2011). Increasing the effectiveness of reward management: An evidence-based approach. *Employee Relations, Vol. 33* (2), 106-120.
- Arthur, D. (2001). *The Employee Recruitment and Retention Handbook* (1st Ed.) Amacom American Management Association, New York.
- Cook, S. & Macau, S. (2011). *Rewarding Service Success*, retreive on March 28, 2011 from www.emeraldinsight.com
- Delery, J. E. and Doty, D. H. "Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions," *Academy of Management Journal* (39:4), 1996, 802-835.
- Galt, J. (2011). How to Correct an Employee With a Weak Performance, retrieve on March 29, 2011 from http://www.ehow.com/how_5551851_correct-weak
- Hwang.ing.S. Kue.jyh.h. (2006). Effects of Job Satisfaction and Perceived Alternative. Employment Opportunities on Turnover Intention-An Examination of Public Sector Organizations. *The Journal of American Academy of Business, Cambridge*. V. 8 N.2
- Lucy Firth, David J. Mellor, Kathleen A. Moore and Claude Loquet (2004) "How can managers reduce employee intention to quit?", *Journal of Managerial Psychology*, Vol. 19, pp. 170-187.
- Maxwell, G & lyle, G. (2002). Strategic HRM and business performance in the Hilton group. *International journal of contemporary hospitality management, Vol.* 14(1), 251-252.
- Noe, R. A. (2002). Employee Training and Development. McGraw-Hill Irwin.
- Noe, R. A., and Wilk, S. L. (1993). Investigation of the Factors that Influence Employees' Participation in Development Activities. *Journal of A Psychology*.78 (2), 291-302
- Patrick, L., and Owens, Jr. (2006). One More Reason Not to Cut Your Training Budget: The Relationship Between Training and Organizational Out Comes. *Public Personnel Management*. 35, No.2.
- Probst, T. M. (2002). The impact of job insecurity on employee work attitudes, job adaptation, and organizational withdrawal behaviours. In J. M. Brett & F. Drasgow (Eds.), The psychology ofwork: Theoretically based empirical research (pp. 141–168). Mahwah, NJ: Erlbaum.

- Reddy, N. V. (1996). The Relationship Between Training and Job turnover Among Secretairial Personnel in the Florida State University System: Ph.D.thises. Florida State University. USA.
- Rowden, R. W., and Conine Jr, C. T. (2005). The Impact of Workplace Learning on Job Satisfaction in Small US Commercial Banks. *Journal of Workplace Learning* Vol. 17 No. 4, 2005 pp. 215-230.
- Steyn, G.M., & van Wyk, J.N. (1999). Job satisfaction: Perceptions of principals and teachers in urban black schools in South Africa. South African Journal of Education, 19 (1), 37-43.
- Taylor, R., Davies, D., and Savery, L. (2001). The Role of Appraisal and Training in Reducing Staff Turnover in the Western Australian accommodation industry. *Management Research News*, Vol. 24 Nos 10/11, pp. 56-7.
- Tekleab, A. G., Bartol, K. M., & Liu, W. (2005). Is it pay levels or pay raises that matter to fairness and turnover? *Journal of Organizational Behavior*, 26, 899–921.
- Thacker, R. A. & Holl, K.B. (2008). Behaviorally-based management training: linking behaviors to employee satisfaction. *Industrial and Commercial training*, Vol. 40
- Training Benefits Program, retrieve on April 11, from http://www.esd.wa.gov/uibenefits/specialservices/training/training-benefits.php(2), 102-108.
- Yadori, Y. and T. Kato (2007) "Average employee tenure, voluntary turnover ratio and labor productivity: Evidence from Japanese firms", *International Journal of Human Resource Management*, 18, pp. 1841-1857.
- Werner, J. M, DeSimone, R. L (2009). Human Resource Development (5& ed.), International Student Edition
- Zikmund, W. G. (2003). Business Research Methods (7th ed.). MA: McGraw-Hill Irwin, Boston.